

MODULE 3: Assessing the Costs and Cost Savings of the Innovation

I. Measuring the Costs and Cost Savings of the Innovation

1. What is the measurement approach that will be used to estimate the costs and cost savings of the innovation? What indicators will be used (*e.g., compliance measures, materials use, numbers of spills, etc.*)?
2. What are the pre-innovation baselines against which costs and cost savings are measured?
 - a. Costs of compliance
 - b. Cost savings of streamlined permitting system
 - c. Cost savings of reallocation of personnel
 - d. Other (*e.g., new investments, time to market, competitiveness*)
3. What data sources will be used to measure costs and cost savings?
4. To what extent has the innovation resulted in costs or cost savings?

II. Savings of the Innovation

5. What significant **time savings/savings** has your organization derived as a result of the innovation? (*Please describe the key types of time savings you incurred including staff time and contractor savings involved in activities including project development, implementation, monitoring, reporting and record keeping, rule revisions, time to market, permit administration, and inspections.*)
6. What **significant cost savings in capital, operation and maintenance of new equipment, operation and maintenance of existing equipment, materials, or energy** has your organization derived as a result of the innovation?
7. What **other savings** (*e.g., insurance, worker compensation, creation of jobs etc.*) has your organization derived as a result of the innovation?
8. What **significant savings** (including major equipment and operation and maintenance costs) has the **regulated community** derived as a result of the innovation?
9. What **significant savings** have **local communities or other stakeholder groups** derived as a result of the innovation?
10. What **economic activity**, if any, has been generated by implementation of the innovation (*e.g., jobs may be created if a brownfields site is redeveloped*)?

III. Costs of the Innovation

11. What significant **time costs/investments** has your organization incurred as a result of the innovation? *(Please describe the key types of costs you incurred including staff time and contractor costs involved in activities including project development, implementation, monitoring, reporting and record keeping, rule revisions, permit administration, and inspections.)*

- a. Costs to the regulator
- b. Costs to the regulated
- c. Costs to the local community or other stakeholders

12. What significant **costs/investments in capital, operation and maintenance of new equipment, operation and maintenance of existing equipment, materials, or energy** has your organization incurred as a result of the innovation?

13. What **other significant costs** (e.g., insurance, worker compensation, creation of jobs etc.) has your organization incurred as a result of the innovation?

IV. Relative cost advantage

14. If the innovation were more used more widely in the future, how would the **marginal (i.e., per innovation) savings and costs** of the innovation change for **your organization**?

- a. Regulator
- b. Regulated
- c. Local community and other stakeholders

15. What is the **difference** between the innovation costs and baseline costs (i.e., costs associated with current regulatory framework)?

Exhibit 3; Costs/Cost Savings Model Table			
Category of Costs	Baseline Costs	Costs of Project	Net Change: Costs or Cost Savings
Real-Resource Compliance Costs			
Government Regulatory Costs			
Social Costs			
Transitional Costs			
Indirect Costs			